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# Finley Group shows others how it's done

LAURA WILLIAMS-TRACY

Most new companies start locally with dreams of building a national presence.

The Finley Group, a team of professional consulting managers that turn around companies in financial distress, launched nationally 20 years ago by necessity.

"When we started, we thought we'd do most of our business in the Southeast," says

Finley Group co-founder Bob Dunn, who runs the firm long after the retirement of his partner, Tim Finley. "We discovered most of the business comes from the recommendation of a company's lender, and those lenders were in the bigger cities. It was a wakeup call. We really had to go to the money-center banks to get business, so we practically emerged as a national business."

That required traversing the country to serve clients, and Dunn and Finley gradually built a nationally recognized firm with a reputation for rebuilding broken-down companies.

The pair did more than build their own company. They helped propel their specialty from what had largely been a cottage industry to a well-recognized craft by founding the Turnaround Management Association. TMA has grown to a worldwide organization based in Chicago with 6,000 members. The organization sponsors certification for turnaround specialists.

Dunn and Finley were introduced in the early 1980s by a partner at the Charlotte office of Arthur Anderson. The accountant knew Finley, then chief financial officer of Cannon Mills, and Dunn, a senior workout officer at Bank of America Corp. predecessor NCNB Corp., both wanted to take a more hands-on approach to saving troubled businesses.

It hasn't been until the last six years that much of the company's work centers in the Southeast, though the firm still has clients around the nation. The firm has an office in SouthPark with six management consultants and an office in Atlanta that opened in 1989 with six professionals.

The Finley Group helps troubled and underperforming companies with annual revenue of \$7 million to \$1 billion make critical decisions about operations and strategy. Bankruptcy is usually a last resort. The firm's managers stabilize cash flow, control debt and implement tough budgetary procedures. They go in as contract managers, acting as senior executives in a control situation or as consultants. About 60% of their work is direct management; the balance is in consulting.

The firm has worked with clients in retailing, aviation, entertainment, distribution and manufacturing, apparel, textiles, printing, steel fabrication and furniture, among others.

One of its highest-profile clients was clothier Jos. A. Bank, which was struggling in the early 1990s. The Finley Group convinced the clothier to drop its women's line to concentrate on men's business casual, then an emerging trend. That decision helped Bank become a leader in men's apparel.

Bank convinced Tim Finley to join as chief executive and take the company public in 1993.

He retired from Bank in 1998 and now lives in Florida.

Though the partnership was named for Finley, Dunn has run the company far longer without him. "Finley had a bigger ego than I had," Dunn jokes about the company name. "When he left, I proved he had the bigger ego."

Ego is what clients say they don't

**"They didn't come in with a hatchet. They understood how we did things, and they had tremendous character."**

David Nickell  
 AC Corp.

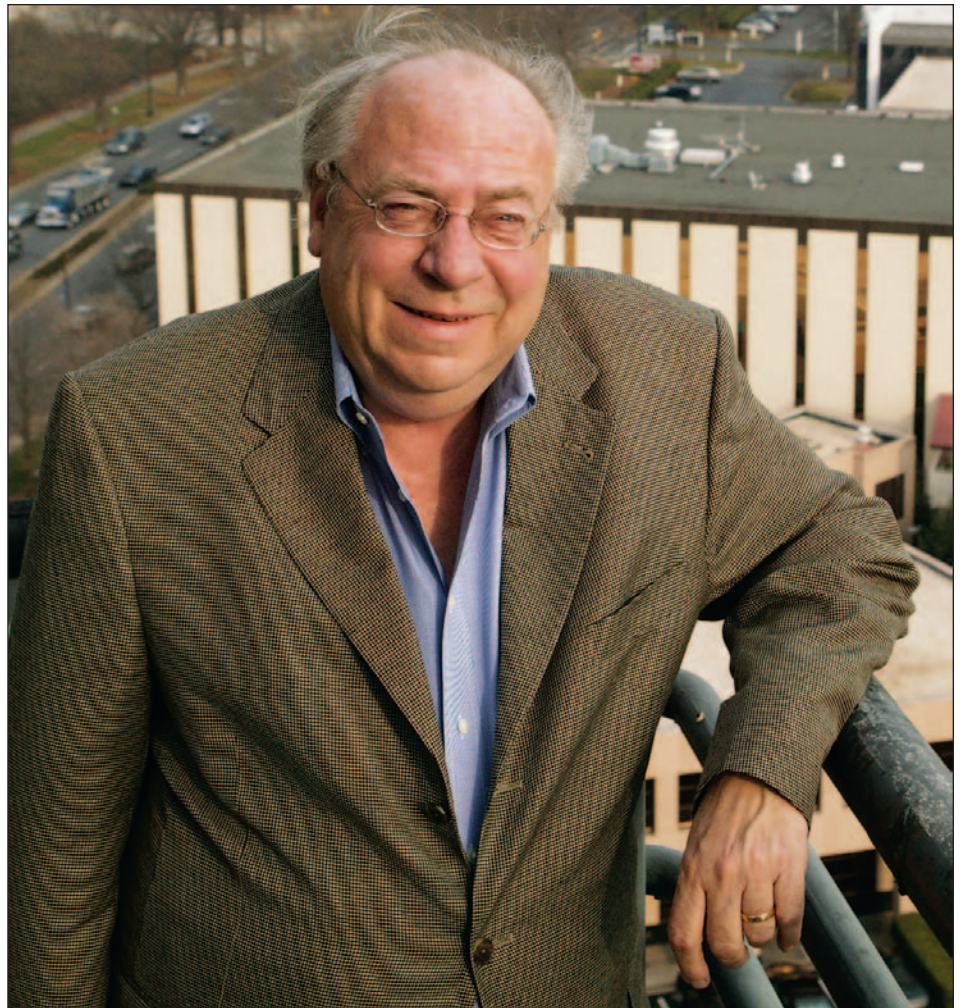


photo SEAN BUSHNER

Bob Dunn, co-founder of The Finley Group, kept the name and strategy intact long after founding partner Tim Finley left. "Finley had a bigger ego than I had," Dunn jokes about the company name.

find at The Finley Group.

David Nickell, president of AC Corp., a 71-year-old design-build mechanical and electrical engineering contractor in Greensboro, hired the firm at his bank's urging five years ago. In the aftermath of Sept. 11 and rapidly decelerating construction activity, AC needed help streamlining operations and refinancing debt.

"They didn't come in with a hatchet. They understood how we did things, and they had tremendous character," Nickell says, adding that making major cuts at the employee-owned company was a personally difficult endeavor.

"Anytime you hire outside groups, you wonder who they are working for — the bank?" says Nickell. "They made it abundantly clear that The Finley Group worked for AC Corporation. They have an excellent working relationship with the bank, but there was no questions they were working for us."

Dunn currently serves as president of The Thaxton Group, a Lan-

caster financial-services company that filed for Chapter 11 bankruptcy in 2003. Dunn has sold part of the company and shored up a subsidiary, Southern Management Group, which has 170 consumer-finance offices around the country. The company has reported \$20 million in profits since he became president.

"There's an art to taking a company that's underperforming or in severe financial trouble and making a success out of it," says Dunn. "We are doing brain surgery. There's a lot of money and jobs at stake."

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